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MINNESOTA LABOR MARKET REVIEW

October 1988 Supplement

Nation

Unemployment Rate Declines While Payroll Employment Continues To Grow Slowly

September's seasonally adjusted unemployment rate dropped 0.2 of a point to 5.4 percent, the same as in July and slightly above the current expansion's low of 5.3 percent in June. Meanwhile, seasonally adjusted nonfarm payroll employment rose by 255,000 in September after a gain of 169,000 in August. Employment growth had averaged 324,000 per month between January and July. Also, a significant portion of the September increase was in state and local government education. Moreover, employment in manufacturing fell for the second straight month in September, dropping by 18,000 after a decline of 19,000 in August.

Most Other Indicators Show Slow Growth in September And The Third Quarter

Dragged down by the drought and the trade deficit, real gross national product rose by only 2.2 percent in the third quarter, the smallest increase in almost two years. Also, retail sales fell for the second consecutive month in September while industrial production and personal spending were unchanged. Meanwhile, housing starts and personal income rose moderately in September.

State

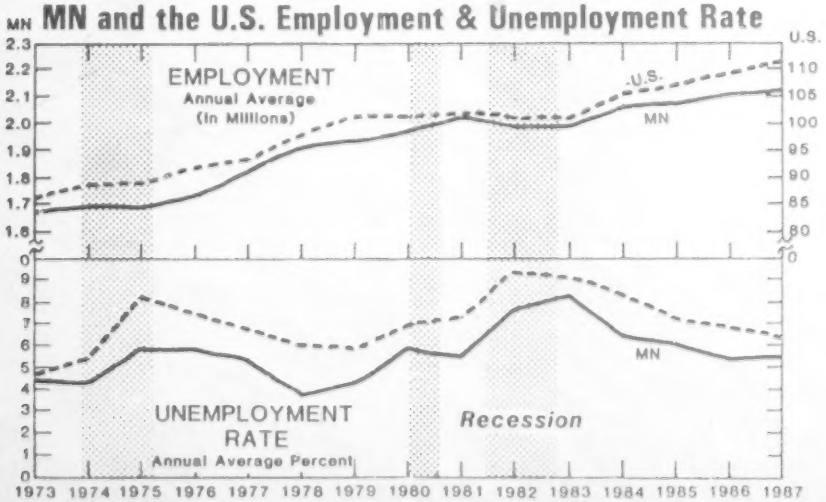
Unemployment Rate Shows Seasonal Decline; Payroll Employment Rises Moderately Again In September

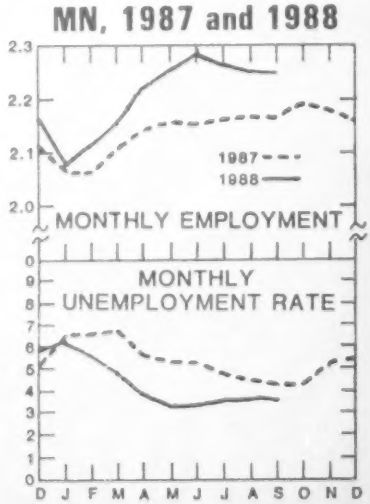
The State's seasonally unadjusted unemployment rate dropped from 3.6 percent in August to 3.4 percent in September. The drop in the rate was expected since the rate usually falls in September. In September 1987 the rate was 4.2 percent. However, seasonally adjusted nonfarm payroll employment registered its smallest increase since April, rising by 3,027 after larger gains in earlier months. Although employment in manufacturing fell sharply in September, the decline may have been overstated since most of the drop took place in the canning and sugar refining components of the food processing industry where employment is volatile at this time of the year. Large declines also occurred in building construction and nonbanking finance. Employment in building construction has fallen in five of the past six months. On the brighter side, there were sizeable and widespread gains in retail trade and further increases in the services industry, particularly in health services and business services.

Labor Force Estimates

	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	September 1988	Change From		September 1988	Change From	
		Last Mo.	Year Ago		Last Mo.	Year Ago
Civilian Labor Force *	2329.9	-13.4	68.0	121.8	-1.6	2.0
Employed	2249.6	-8.9	83.2	115.5	-1.3	2.4
Unemployed	80.3	-4.5	-15.1	6.4	-0.3	-0.5
Unemployment Rate						
Actual	3.4	-0.2	-0.8	5.2	-0.2	-0.5
Seasonally Adjusted	n.a.	n.a.	n.a.	5.4	-0.2	-0.5

* Components may not add to Civilian Labor Force due to rounding.





Minnesota Nonfarm Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Sept. 1988	Aug. 1988	Sept. 1987	Aug. 1988	Sept. 1987	Sept. 1988	Sept. 1987	Sept. 1988	Sept. 1987	Sept. 1988	Sept. 1987
Total Nonagricultural	2,051.3	2,036.0	1,990.9	0.8	3.0	-	-	-	-	-	-
Manufacturing	397.0	399.4	384.0	-0.6	3.4	438.01	425.77	10.58	10.41	41.4	40.9
Durable Goods	235.0	235.3	225.3	-0.1	4.3	460.28	453.42	10.83	10.77	42.5	42.1
Lumber and Furniture	23.8	24.2	22.4	-1.4	6.3	518.83	503.42	12.01	11.52	43.2	43.7
Stone, Clay and Glass	9.4	9.6	9.2	-1.6	2.4	428.89	423.69	10.41	10.41	41.2	40.7
Primary Metals	7.3	7.2	6.5	1.4	12.5	426.51	403.42	9.76	9.47	43.7	42.6
Fabricated Metals	33.7	34.0	33.7	-0.7	0.0	526.18	515.48	12.18	11.96	43.2	43.1
Nonelectrical Machinery	82.3	82.3	79.6	0.0	3.4	478.13	473.20	11.25	11.24	42.5	42.1
Office and Computing	39.2	39.4	39.2	-0.3	0.0	506.48	537.34	11.59	12.24	43.7	43.9
Electrical Machinery	30.6	30.4	28.5	0.7	7.5	354.03	363.72	8.49	8.66	41.7	42.0
Transportation Equipment	10.5	10.3	10.0	1.8	5.2	528.43	511.06	12.12	11.83	43.6	43.2
Scientific Instruments	31.4	31.4	30.2	-0.1	3.9	430.12	411.43	10.29	10.26	41.8	40.1
Misc. Manufacturing	5.9	5.9	5.3	0.6	12.5	431.63	399.59	10.18	10.04	42.4	39.8
Nondurable Goods	162.0	164.1	158.7	-1.3	2.1	410.62	392.03	10.24	9.95	40.1	39.4
Food and Kindred	49.9	51.8	49.9	-3.6	-0.1	377.39	344.46	9.05	8.59	41.7	40.1
Textiles and Apparel	5.0	5.0	5.1	-0.4	-2.0	285.38	266.64	7.59	7.26	37.6	36.7
Paper and Allied	32.6	33.0	32.8	-1.2	-0.5	513.68	503.71	12.03	11.88	42.7	42.4
Printing and Publishing	47.4	47.3	45.1	0.2	5.0	412.91	393.45	11.07	10.52	37.3	37.4
Chemicals and Petroleum	11.1	11.2	11.0	-1.5	0.9	496.05	496.92	12.59	12.30	39.4	40.4
Rubber, Plastic & Leather	16.1	15.8	14.8	1.4	8.1	350.56	338.20	8.92	8.90	39.3	38.0
Nonmanufacturing	1,654.3	1,636.6	1,606.9	1.1	3.0	-	-	-	-	-	-
Mining	7.5	7.6	7.0	-0.5	7.8	562.03	560.72	12.95	12.89	43.4	43.5
Metal Mining	5.4	5.4	4.8	0.1	11.5	592.25	620.13	13.87	14.03	42.7	44.2
Construction	89.9	90.9	94.3	-1.1	-4.6	608.00	563.18	15.67	15.18	38.8	37.1
Transp., Comm., Pub. Util.	104.1	100.8	102.0	3.2	2.0	-	-	-	-	-	-
Transportation	69.3	66.0	67.8	4.9	2.2	-	-	-	-	-	-
Trucking & Warehousing	26.5	26.2	26.8	1.0	-1.2	419.65	418.61	12.64	12.24	33.2	34.2
Comm. & Public Util.	34.8	34.8	34.2	-0.1	1.7	588.46	584.54	14.86	14.65	39.6	39.9
Trade	515.0	515.1	496.8	0.0	3.7	232.85	233.22	7.84	7.80	29.7	29.9
Wholesale	126.5	127.7	122.2	-0.9	3.5	419.61	423.93	10.65	10.87	39.4	39.0
Retail	388.5	387.4	374.5	0.3	3.7	178.89	179.09	6.65	6.56	26.9	27.3
Building Materials	18.1	18.3	17.6	-1.1	2.7	329.76	315.35	8.61	8.50	38.3	37.1
General Merchandise	56.9	56.0	53.4	1.5	6.5	158.36	160.40	6.36	6.03	24.9	26.6
Food Stores	52.2	52.2	49.8	0.0	4.8	198.33	198.25	7.16	7.03	27.7	28.2
Automotive	41.8	41.8	40.2	-0.1	3.9	313.90	320.59	9.02	8.93	34.8	35.9
Apparel	19.9	19.7	19.7	0.7	1.0	122.35	126.62	5.39	5.32	22.7	23.8
Home Furnishings	17.7	17.5	16.3	1.2	8.3	250.36	250.57	8.05	7.98	31.1	31.4
Eating and Drinking	132.7	133.2	129.3	-0.4	2.6	112.27	107.84	4.86	4.73	23.1	22.8
Fin., Insur., Real Estate	123.7	125.1	120.9	-1.4	2.3	-	-	-	-	-	-
Finance	56.1	57.0	55.9	-1.5	0.4	-	-	-	-	-	-
Insurance	46.0	46.4	44.3	-0.8	3.7	-	-	-	-	-	-
Real Estate	21.5	21.7	20.6	-0.8	4.5	-	-	-	-	-	-
Services	506.4	503.4	485.2	0.6	4.4						
Personal Services	26.2	25.4	25.2	3.2	3.8						
Business Services	102.0	101.8	94.1	0.2	8.3						
Repair Services	21.3	21.1	19.6	0.9	8.7						
Health Services	154.9	154.7	150.5	0.1	2.9						
Hospitals	53.3	53.5	51.5	-0.4	3.5						
Nursing Homes	41.4	41.5	41.7	-0.1	-0.7						
Legal Services	15.0	15.0	14.2	-0.6	5.2						
Private Education	23.6	19.6	23.0	20.4	2.6						
Government	307.8	293.7	300.7	4.8	2.3						
Federal	33.9	34.1	33.1	-0.8	2.3						
State	73.8	70.4	71.2	4.8	3.6						
Education	35.8	32.3	34.7	10.8	3.3						
Local	200.1	189.2	196.4	5.8	1.9						
Education	101.8	86.8	98.6	17.3	3.2						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.